

# **City of Lincoln Park, Michigan**

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**Federal Awards  
Supplemental Information  
June 30, 2003**

# City of Lincoln Park, Michigan

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## Independent Auditor's Report

To the Mayor and City Council  
City of Lincoln Park, Michigan

We have audited the general purpose financial statements of the City of Lincoln Park, Michigan for the year ended June 30, 2003 and have issued our report thereon dated September 26, 2003. Those general purpose financial statements are the responsibility of the management of the City of Lincoln Park, Michigan. Our responsibility was to express an opinion on those general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Lincoln Park, Michigan taken as a whole. The accompanying schedule of expenditures of federal awards and reconciliation of general purpose financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Plante & Moran, PLLC*

September 26, 2003

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Report Letter on Compliance with Laws and Regulations and  
Internal Control - General Purpose Financial Statements

To the Mayor and City Council  
City of Lincoln Park, Michigan

We have audited the financial statements of the City of Lincoln Park, Michigan as of and for the year ended June 30, 2003 and have issued our report thereon dated September 26, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City of Lincoln Park, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Lincoln Park, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

To the Mayor and City Council  
City of Lincoln Park, Michigan

This report is intended solely for the information and use of the mayor and City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

September 26, 2003



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## Report Letter on Compliance with Laws and Regulations and Internal Control - Major Federal Awards

To the Mayor and City Council  
City of Lincoln Park, Michigan

### Compliance

We have audited the compliance of the City of Lincoln Park, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2003. The major federal program of the City of Lincoln Park, Michigan is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Lincoln Park, Michigan's management. Our responsibility is to express an opinion on the City of Lincoln Park, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lincoln Park, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Lincoln Park, Michigan's compliance with those requirements.

In our opinion, the City of Lincoln Park, Michigan complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

To the Mayor and City Council  
City of Lincoln Park, Michigan

## **Internal Control Over Compliance**

The management of the City of Lincoln Park, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lincoln Park, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the mayor and City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

September 26, 2003

# City of Lincoln Park, Michigan

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2003

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Award Amount	Federal Expenditures
U.S. Department of Transportation - Passed through the Michigan Department of Transportation - Reconstruction and Replacement along Highway I-75	20.305	RR-3006	\$ 41,263,716	\$ 26,063,651
U.S. Department of Housing and Urban Development - Direct programs - Community Development Block Grant:				
Program Year 1997 - B-97-MC26007	14.218	N/A	1,018,000	21,200
Program Year 1998 - B-98-MC26007	14.218	N/A	931,000	6,926
Program Year 1999 - B-99-MC26007	14.218	N/A	936,000	43,019
Program Year 2000 - B-00-MC26007	14.218	N/A	922,000	100,987
Program Year 2001 - B-01-MC26007	14.218	N/A	959,960	528,367
Program Year 2002 - B-02-MC26007	14.218	N/A	<u>1,016,000</u>	<u>730,138</u>
Total Community Development Block Grant			5,782,960	1,430,637
U.S. Department of Justice - Passed through the State of Michigan - Local Law Enforcement Block Grant:				
Program Year 1999-LB-VX-8258	16.592	1999-LB-VX-82583	58,312	65,027
Program Year 2000-LB-VX-2621	16.592	2000-LB-BX-2621	50,100	59,002
Program Year 2001-LB-BX-3980	16.592	2001-LB-BX-3980	52,179	<u>24,771</u>
Total Local Law Enforcement Block Grant				148,800
Federal Emergency Management Agency - Passed through the State of Michigan - Emergency Preparedness Program	83.516	163-47800		<u>8,795</u>
Total federal awards				<u><b>\$ 27,651,883</b></u>



To the Mayor and City Council  
City of Lincoln Park, Michigan

# City of Lincoln Park, Michigan

## **Reconciliation of General Purpose Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2003**

Revenue per schedule of expenditures of federal awards	<u><u>\$ 27,651,883</u></u>
Revenue per general purpose financial statements:	
General Fund	\$ 157,595
Special Revenue Fund	<u>1,133,384</u>
Total revenue per general purpose financial statements	1,290,979
Federal revenue not included in general purpose financial statements	26,063,651
Other revenue (program income)	<u>297,253</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 27,651,883</u></u>

# City of Lincoln Park, Michigan

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2003

### Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Lincoln Park, Michigan and is presented on the same basis of accounting as the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

### Note 2 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant:		
County Homeless Shelter	14.218	\$ 5,000
Downriver Guidance Clinic	14.218	5,000
Youth Assistance Program	14.218	28,500
Citizens Patrol Watch	14.218	4,200
First Step Program	14.218	3,200
Head Start Program	14.218	3,000
Senior Alliance	14.218	3,300
The Information Center	14.218	2,100

### Note 3 - Expenditure Reports

Management has reconciled the expenditures reported in the schedule of expenditures of federal awards to those amounts reported in the annual or final cost reports.

# City of Lincoln Park, Michigan

## Schedule of Findings and Questioned Costs Year Ended June 30, 2003

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.305	U.S. Department of Transportation - Passed through the Michigan Department of Transportation - Reconstruction and Replacement along Highway I-75

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

# **City of Lincoln Park, Michigan**

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## **Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2003**

### **Section II - Financial Statement Audit Findings**

None

### **Section III - Federal Program Audit Findings**

None